Message Text

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E.O. 11652: GDS

TAGS: ETRN, WB, GW, UK, US

SUBJ: TRIPARTITE STUDY OF IMPACT OF ENERGY CRISIS ON

BERLIN ECONOMY

REF: A) STATE 243147; B) BERLIN 2182

1. DEPTS ORIGINAL PROPOSAL FOR TRIPARTITE ECONOMIC STUDY, AS OUTLINED TO BRITISH EMBASSY REPS (REFTEL A) WAS FOR BROAD-BASED SURVEY WHICH WOULD RELATE ENERGY SITUATION TO BERLIN'S ECONOMIC VIABILITY. STUDY AS WE ENVISIONED IT WOULD HAVE CONSIDERED IMPACT OF ENERGY CRISIS ON SUCH DIVERGENT AREAS AS TOURIST INDUSTRY, PRIVATE AUTOMOBILE CONFIDENTIAL

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USAGE, FREIGHT TRANSPORTATION AND MAINTENANCE IN WEST

BERLIN OF BRANCH OFFICES OF FRG-BASED BUSINESSES.
BECAUSE OF ITS INTENDED SCOPE DEPT HAD SUGGESTED STUDY
BE UNDERTAKEN IN BERLIN TRIPARTITE ECONOMIC
COMMITTEE AND NOT IN CIVIL AVIATION FORUM (PARA 4 REF A).

- 2. OUR EXPECTATION WAS THAT ONCE A BROAD ECONOMIC ASSESSMENT HAD BEEN DEVELOPED, QUESTIONS RELATING TO AIR TRAVEL COULD BE CONSIDERED ON THEIR MERITS, NOT ONLY BY THE AIRLINES SERVING THE CITY AND THE THREE WESTERN ALLIES, BUT ALSO BY THE FRG AND SENAT WHOSE SUBSIDY PAYMENTS INSURE THE PROFITABILITY OF THE PRIVATE CARRIERS.
- 3. THE TERMS OF REFERENCE WHICH THE BRITISH HAVE PROPOSED (REFTEL B) ARE TOO NARROW TO MAKE THE TRIPARTITE STUDY OF ANY OBJECTIVE USE. USBER IS PROBABLY CORRECT IN ITS IEW (PARA 3 REF B) THAT BRITISH WILL, IN WHATEVER WAY THEY CAN, KEEP COMING BACK TO THEIR OWN PROPOSALS FOR AIR RATIONALIZATION, AND REFUSE TO CONSIDER ANY BERLIN AIR PROBLEM, NO MATTER THE DICTATES OF THE POLITICAL SITUATION, UNLESS GUARANTEED FIRST THAT BEA WILL SUFFER NO FINANCIAL LOSS AS A CONSEQUENCE OF ANY SOLUTION REACHED.
- 4. THIS KIND OF PAROCHIAL APPROACH INEVITABLY SUBOORDINATES BERLIN'S SHORT AND LONG TERM INTERESTS TO COMMERCIAL CONSIDERATIONS. USBER SHOULD ACCORDINGLY DECLINE TO PARTICIPATE IN STUDY BASED SOLELY ON BRITISH TERMS OF REFERENCE, AND OUR PARTICIPATION SHOULD BE MADE CONTINGENT ON HAVING THE TERMS OF REFERENCE RECAST ALONG LINES SUGGESTED IN PARAS 1 AND 2 ABOVE.
- 5. DEPT WILL AWAIT RECEIPT OF USBER'S UNILATERAL STUDY OF FUEL SITUATION BEFORE OFFERING DEFINITIVE VIEWS; WE WERE, HOWEVER, INITIALLY STRUCK BY APPARENT DIVERGENCE BETWEEN TENTATIVE CONCLUSION REACHED BY MISSION (PARA 4 REF B) AND GUIDELINES SUGGESTED BY DEPT (PARA 4 REF A) AND WILL LOOK WITH INTEREST TO SEE WHAT FACTORS CONTRIBUTED TO THIS DIFFERENCE OF APPROACH. KISSINGER

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